

Purple Global Adaptive Equity UCITS Fund

Systematic Risk Managed Global Equity

December 2019

Performance Returns

The Purple Global Adaptive Equity UCITS Fund returned 1.56% for the month (GBP A Share class). This gives the fund a net return since launch on 18 Feb. 2016 of +18.22%, and a year to date return of +6.97%.

Investment Objective & Strategy

The Montlake Purple Global Adaptive Equity fund is our flagship fund which adapts seamlessly to market conditions by knowing when to take risks and when to preserve capital. It is an extremely useful product for clients who are willing or need to take equity risk but would benefit from the portfolios proactive systematic risk management capability which looks to preserve capital when market conditions deteriorate.

The fund is a global equity fund with a risk management overlay. It holds a basket of equities from the US, European, UK and Japanese markets. These equities are selected based on fundamental data and are chosen on a quality bias.

Each geographical area is treated as a separate portfolio for risk management purposes, with positions being equally weighted to avoid one position dominating performance. It is in our specialised risk system ARES™, however, where this product differentiates itself and adds significant value. This risk system directs the overall level of market exposure that the fund takes in each geographical region, with the ability to be completely hedged across all markets when required. It is this system of allowing the fund to take on market risk in rallies and hedging during downturns that gives the fund its edge.

We expect the fund to outperform over the longer term, particularly over a full market cycle.

Monthly Commentary

In December, the fund rose by 1.56%, slightly underperforming the MSCI World Index. The stock selection of the fund has a more defensive slant than the indices, as exhibited by the better drawdown profile of the fund in 2019. The fund outperformed the index at the beginning of December, when markets fell and underperformed when markets rallied into the year end, on optimism of a Brexit resolution following the UK election result and an improvement in the trade war between China and the USA. The fund also holds 15% in cash which contributes to the slightly more defensive nature when compared to the index.

Stock selection continued to contribute to performance, especially in the UK assets. The margin of the Conservative victory in the UK General Election surprised markets, boosting the UK small and mid cap companies which is the part of the market where the funds UK exposure is dominated.

The fund retains the maximum exposure to each of the four markets that we are invested.

GBP Institutional Class A UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019	1.98%	1.36%	-0.22%	0.85%	-1.52%	1.26%	-0.09%	-0.08%	0.96%	-0.62%	1.38%	1.56%	6.97%
2018	1.49%	-2.43%	-1.02%	0.61%	1.10%	0.49%	2.02%	1.05%	0.24%	-4.82%	0.75%	-3.44%	-4.13%
2017	0.55%	2.79%	0.35%	1.16%	1.51%	-0.06%	0.58%	0.12%	1.48%	1.64%	1.26%	1.06%	13.15%
2016	-	-0.53%	0.71%	-1.13%	0.38%	0.66%	0.56%	-0.14%	-0.18%	-2.80%	2.97%	1.44%	1.87%

The performance figures quoted above represent the performance of the Purple Global Adaptive Equity UCITS Fund, GBP Inst. A Share Class since launch on the 18-Feb-2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager



Colin Leggett CFA

Investment Director – Investment Management

Colin has over 20+ years industry experience. Colin started his career at Abbey National Asset Management, specialising in futures trading and risk analysis before moving onto Metage Capital in 2006, a London-based hedge fund. In 2009, Colin became Investment Manager where he was responsible for running the asset allocation and hedging strategies for the fund. Colin's depth of knowledge and experience in a multi-asset environment through various trading conditions adds significant expertise to the team, where he works to deliver investment performance within the Group. Colin has a BA (Hons) in History & Politics and is a CFA charter holder.

Dr Tony Wilkinson

Investment Director – Quantitative Solutions

Tony has an exceptional academic career, with a BSc (1st Class) in Experimental Physics, an MRes in Nuclear Physics and an MSc in Physics & Computing in Medicine, leading to his formative career as a Senior Nuclear Medicine Physicist for the NHS in Cumbria. In 2007, Tony commenced a Ph.D. in Astrophysics, before changing career direction, joining the research team at Altis Partners in 2011, where Tony became the Product Specialist of the Global Futures Portfolio - a fully systematic hedge fund, trading a diverse range of over 100 international futures markets. In 2014, Tony joined Wonga as an Innovation Analyst, where he applied cutting-edge machine learning techniques to solve supervised classification problems related to credit-risk for products. In ISG, Tony supports the CIO in developing the quantitative tools that support the proprietary group investment process.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$194 million
Inception	18 th February 2016

Share Class Institutional Class A

Currency	EUR/USD/CHF/GBP/AUD
Mgt. Fee	0.70%
Perf. Fee	0%
Min Init. Sub.	1,000,000

ISIN Codes	GBP: IE00BZ1NRQ72
	EUR: IE00BZ1NRP65
	CHF: IE00BZ1NRR89
	USD: IE00BZ1NRS96
	AUD: IE00BDTYLH74

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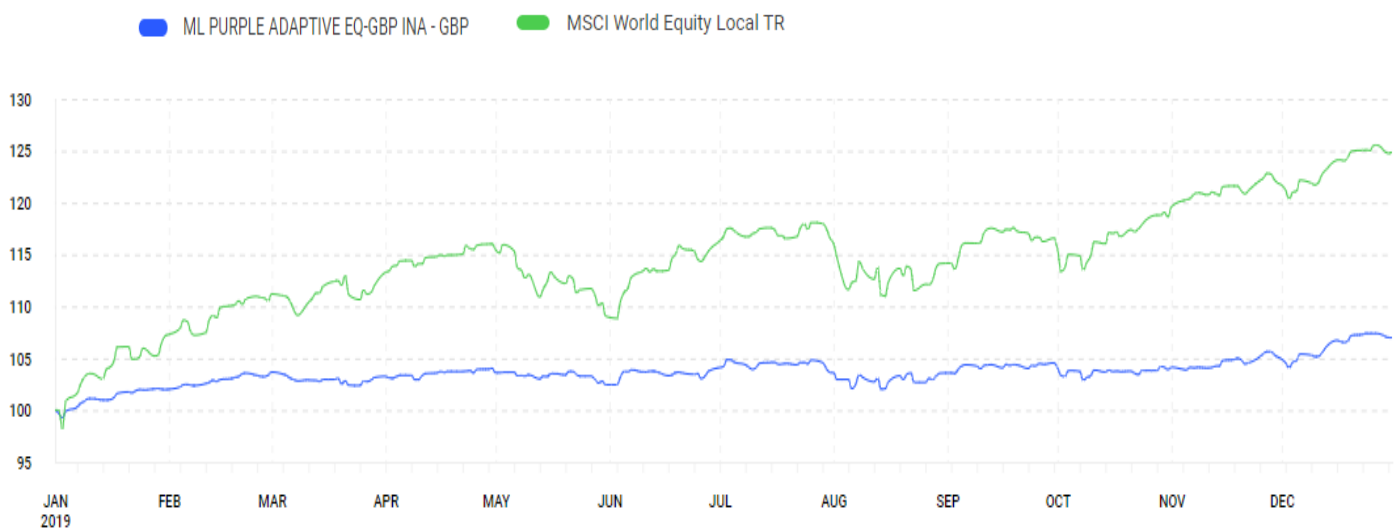
Systematic Risk Managed Global Equity

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Market	End Nov Beta to Market	End Dec Beta to Market	Hedging in Place
US	1.00	1.00	No
UK	1.00	1.00	No
EU	1.00	1.00	No
Japan	1.00	1.00	No
Overall	1.00	1.00	No

Source: PSC

Return vs MSCI World over last 12 months



Source: PSC Collidr

Contact Details

Investor Contact

MontLake Funds (UK) Ltd
 Park House, 116 Park Street
 London, W1K 6AF
 T: +44 20 3709 4510
 investorrelations@montlakefunds.com

Management Company

MontLake Management Ltd
 23 St. Stephen's Green
 Dublin 2, Ireland
 T: +353 1 533 7020
 investorrelations@montlakefunds.com

Investment Manager

Purple Strategic Capital
 34 Southwark Bridge Road
 London, SE1 9EU
 T: +44 808 281 2906
 operations@purple.investments

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